Approved For Release 2003/08/19: CIA-RDP78-01617A005800020034-6

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DEPT OF STATE review(s) completed.

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TO CAPPET EUROPE-AFRICA

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- 1. FRANCE: Communist reflections on violence—US Military Attache Brussels reports that at a 16 May meeting of the French Communist Politburo, Party Chief Thorez expressed pessimism about the 2 June elections and again invited members to "reflect seriously" upon violent action "if the possibility of liquidating the Socialist Party through fusion or any other means definitely disappears." Thorez asserted that (a) "the problem is extremely grave, because Moscow is not in favor of opening action in France without being decided" on world war; (b) Soviet diplomacy "needs peace today and will not take undue chances;" and consequently (c) if action is decided upon, it must be "without counting on help from Russia." Another member of the Politburo declared that the Soviets consider the results of the Conference of Foreign Ministers "absolutely negative" and that Molotov's tactics were "checkmated."
- 2. SWITZERLAND: Opposition to UN meetings on Swiss soil--Stettinius reports that the Swiss have indicated that they do not wish to have the Security Council meet on Swiss soil, apparently because they fear Swiss neutrality would be adversely affected. UN Secretary-General Lie, therefore, has taken the position that no League of Nations facilities in Geneva should be used by any UN unit.
- 3. POLAND: French industrial delegation rebuffed—Charge Keith has learned from the French Embassy that a French delegation, representing "nearly all French industrial enterprises which have operated in Poland," has been informed by the Polish Ministry of Industry that the Polish Government (a) definitely does not intend the delegation to visit former French properties "for the present," and (b) will allow no claim by any company which ceded its rights to the Germans during the occupation.
- 4. HUNGARY: Soviets deny US air landing rights—Minister Schoenfeld reports that although the Hungarian Cabinet voted unanimously to accede "in principle" to the US request for air transit and landing rights, Soviet military authorities vetoed the Cabinet's proposal on the ground that the "Soviet Army alone has control over air fields and air space in Hungary." (The US had pointed out that Hungary's civil air

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agreement with the USSR was 'non-exclusive' and that the US was entitled to similar air rights under the most-favored-nation clause of the 1945 US-Hungarian treaty.) Schoenfeld suggests that (a) the proposed Pan American route from Vienna to the Middle East by-pass the Balkans, and (b) this action be widely publicized as having been caused by Soviet opposition to US air objectives in the Balkans.

5. IRAN: Qavam's plan to resume negotiations—According to Ambassador Allen, Qavam on 19 May (a) expressed his hope that when the Iranian case is withdrawn from the Security Council the US will affirm Iran's continuing right to call the Council's attention to any Soviet interference; (b) disclosed his intention to send a delegation to Tabriz to resume discussions "within a few days" and (c) stated that he had obtained from the Shah assurance of a free hand in the negotiations. On 18 May US Consul Tabriz was informed by Pishevari, leader of the Azerbaijani delegation, that the negotiations had not been terminated "but merely interrupted."

FAR EAST

6. N.E.I.: Dutch position stronger—Consul General Batavia reports that
(a) Dutch morale is improving rapidly although local relations with the
British have deteriorated; (b) Dutch troop strength is increasing and
Van Mook is depending on a show of military strength to influence the
coming negotiations; (c) Sjahrir's position has been weakened by chaotic
conditions in Sumatra and (d) there are no indications when the negotiations will be resumed and the outlook is "extremely gloomy."

THE AMERICAS

7. ARGENTINA: Soviet overtures to press--Charge Cabot has been reliably informed that the Soviet Trade Commission (a) has offered to pay four Peronista newspapers to publish Soviet propaganda including attacks on "Yankee imperialism" and defense of the USSR; (b) considers Messersmith "smart and dangerous;" (c) desires to buy control of certain Argentine newspapers; and (d) claims that the USSR can furnish all the newsprint required in Argentina.